



**STATE OF CONNECTICUT
OFFICE OF THE STATE COMPTROLLER
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**Kevin Lembo
State Comptroller**

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**WRITTEN TESTIMONY of
Kevin Lembo
State Comptroller**

**Appropriations Committee
April 11, 2011**

**Concerning
HB 6381 AA Making Deficiency Appropriations for the
Fiscal Year Ending June 30, 2011.**

Good Afternoon Senator Harp, Representative Walker, Senator Kane, Representative Miner and members of the Appropriations Committee. For the record, I am Comptroller Kevin Lembo. I am here to testify on HB 6381, AA Making Deficiency Appropriations for the Fiscal Year Ending June 30, 2011.

While the Office of the State Comptroller (OSC) is not included in this bill, we were requested by OPM to attend this hearing today to explain the status of our Other Expenses Account.

For FY'11, the Office of Policy and Management (OPM) established what were referred to as "contract savings holdbacks" for each department. For the OSC, this represented 29.2% or \$1,216,595 of the total approved Other Expenses appropriation.

As was memorialized in communications between the OSC and OPM, the benchmark figure of \$1,216,595 was immediately identified as unattainable given that over 80% of the Other Expenses line is tied to multi-year contracts, most of which support the statewide Core-CT Financial and Human Resource Management System.

Notwithstanding, the OSC was able to achieve total cost savings of \$305,630 by:

- transitioning off computer equipment that did not require contract renewal;
- negotiating a one-year, cost neutral extension on some of the currently held CORE-CT contracts; and
- in all other contract renewals, holding increases at or below 3%.

The original funding levels approved by the Legislature for the Other Expenses line are sufficient to meet agency expenses for Fiscal Year 2011. Given that the requested funding falls within already appropriated levels, the shortfall against anticipated "contract savings holdback" does not represent deficiency spending by the Office of the State Comptroller.

Therefore, the OSC is requesting \$625,318 to meet obligations of our Other Expenses account. Further, a separate request of \$400,000 has been made to the Finance Advisory Committee (FAC) to acquire the remaining holdback funds necessary to meet our agency obligations through the end of the fiscal year.

Thank you for your consideration of this request. I would be pleased to answer any questions.